

JAMES C. DAVIS, GA., CHAIRMAN
JOHN LESINSKI, JR., MICH.
HUGH Q. ALEXANDER, N. C.
GRACIE PFOST, IDAHO
CHET HOLIFIELD, CALIF.
ROBERT J. CORBETT, PA.
H. R. GROSS, IOWA
JOHN E. HENDERSON, OHIO
AUGUST E. JOHANSEN, MICH.

Congress of the United States House of Representatives

SUBCOMMITTEE ON MANPOWER UTILIZATION
AND DEPARTMENTAL PERSONNEL MANAGEMENT
OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE

THE FUNCTIONAL APPROACH TO MANPOWER UTILIZATION

The following explanation and definitions are designed to present more fully the meaning of the Subcommittee's Recommendation C on page 35 of its report on Manpower Management. (House Report No. 1740, 84th Congress, 2nd Session)

In general terms, FUNCTIONS are defined as those major systems or processes through which an organization accomplishes its objectives.

A functional approach to management is one in which a specific function is selected for survey and study on an agency or department-wide basis.

This Subcommittee has recommended the adoption of the functional approach to conducting manpower surveys, developing staffing standards and determining the number of personnel required. This does not mean that other approaches to management, such as by organization, program or object class, are not of equal importance. Rather, they should be considered as complementary. The organizational approach places major emphasis on the administrative groupings or lines of authority, programs on the objectives to be accomplished, object class on items or services to be purchased, and the functional approach on the processes or systems within the organization. Experience has shown that the use of a combined approach can help provide more adequately the type of information needed to assure effective utilization of manpower.

The ability to analyze, plan and project manpower utilization on a consolidated functional basis does not eliminate the need for continuing emphasis on all existing techniques for improving management. The lowered unit costs resulting from such efforts as work simplification, work measurement, work scheduling, improved methods and better organization, can be depicted on a functional as well as on an organizational program or object class basis. The ability to analyze costs from several viewpoints gives the administrator the advantage of a thorough cross check on the effectiveness of his management improvement program.

I. EXAMPLES OF FUNCTIONS BY MAJOR CATEGORIES

Regardless of the size of the agency or the degree of formalization of organization and procedures, the following functions are illustrative of those usually performed either by or for a department or agency. It is recognized that the terminology used and the functions performed will vary from department to department and agency to agency. The functions are

- 2 -

grouped by major categories mainly for purposes of presentation.

A. Executive Direction -- (Top Management)

Executive direction provides the over-all policy guidance and program coordination necessary to achieve the objectives of the organization. The primary purposes of executive direction are:

1. To establish objectives;
2. To achieve an equitable distribution of resources among the organizational units and to the functions within the organization; and
3. To assure the effective and efficient accomplishment of the established objectives.

In general, executive direction is provided by the heads of the major organizational units that embrace a number of administrative, support and substantive functions. For manpower reporting purposes, this function should include all of the personnel in the immediate offices of:

1. The Secretary, the Undersecretary and Assistant Secretaries of departments or their equivalents in the Agencies;
2. The heads of the major bureaus or divisions reporting directly to one or more of the above; and
3. The heads of the regional or field offices or commands reporting directly to the head of the department or agency.

B. Administrative -- (Staff Assistance)

Separate from, but closely related to, the Executive Direction Function are those that help provide the executive head with information and staff guidance. These functions are normally called administrative and most of them are found in every department and agency. They are also often called housekeeping functions. Examples are:

Accounting, analysis auditing, budgeting, finance, inspection, intelligence, legal, organization and methods, personnel, plans and programming, public information, reporting, safety, security and supply.

C. Substantive -- (Primary Programs)

The substantive functions constitute the real reason for the creation of the department or agency. They may also be designated as programs or missions. The purposes of the other functions are to direct, plan for and support the substantive functions. The objectives of the organization are accomplished through the substantive functions. They distinguish one department and agency from another.

- 3 -

Various aspects of a given substantive function may be found in different places within an organization. For example, different components of the military defense function can be found in the Army, Navy, Air Force and Treasury Departments. In general, however, the major substantive functions should be different for each department or agency. To the extent this is not true, there may be duplication of effort.

It should be emphasized that an administrative or support function in one department or agency can be and often is a substantive function in another. For instance, "supply" is both a substantive and an administrative function in the General Services Administration but an administrative function alone in the Treasury Department.

The major groups of Substantive Functions, as used in the President's Budget, are:

1. Agriculture and Agricultural Resources
2. Commerce and Housing
3. General Government
4. International Affairs and Finance
5. Labor and Welfare
6. Major National Security
7. Natural Resources
8. Veterans Services and Benefits.

In many cases, the substantive functions of a department or larger agency will appear under several of the above headings.

D. Support

The principal purpose of the support functions is to provide assistance to the substantive and other functions. As in the case of substantive functions, a support function in one agency can be listed as an administrative function in another. The exact placement will depend upon the department or agency and the responsibilities assigned to the function. Formalized functions of this type are more often found in the military departments. Examples are:

Commissary, communications, food service, health, laundry and dry cleaning, machine records, mail and records, maintenance (buildings, equipment and real property), personal services, police, printing,

- 4 -

public works, procurement, training, transportation, warehousing and weather.

II. DEFINITION OF TERMS

A. Functional Survey

A functional survey is one which follows through and analyzes from beginning to end a specific function and all the activities involved regardless of the number of bureaus, divisions, branches, sections or units involved.

It is important to understand the difference between the usual organizational survey and the more inclusive functional survey that is stressed by this Subcommittee. In the case of the organizational survey, the study of procedures, techniques, workload and staffing are restricted to a specific organizational unit; for example, a bureau or division.

In the case of the functional survey, all directives, procedures, techniques, workload and personnel factors are analyzed across-the-board taking into consideration all organizational units that perform any work related to the particular function being studied. To illustrate, in surveying the budget function, all budget work performed within a department would be analyzed, including program formulation, development of supporting data by other staff divisions and operating bureaus, and work done in the budget sections of the field offices, as well as that by the central office budget division. All activities relating to the budget function would thus be studied, including every bureau, division, branch, section or unit involved.

The functional survey should include a review of the authority for the performance of the specific function or elements of that function. Not only should consideration be given to what and how something is being done, but also to why, where and when it is being done and who is doing it. This more inclusive survey will usually uncover duplication of effort or indicate functions or elements of functions being performed that are no longer essential. In making a functional survey, emphasis remains on streamlining the process by improving methods and eliminating work no longer necessary, but organizational placement of the various facets of the function being surveyed must also be given major consideration.

B. Manpower Reports by Function

Functional manpower reports are derived from a reporting system whereby positions are charged against functions performed, regardless of organizational placement. This requires a published set of functional definitions, organizational nomenclature and numerical codes which specifically identify the activities of the individual agency. Normally, each position is charged against the function that requires the major portion of the occupant's time. Within the practical limits of the reporting system, data on positions, skills, grades and workload involved, by functions, should be reported by organizational entity.

- 5 -

With a mechanized reporting system, manpower reports by organization and function can be prepared from the same deck of cards. Depending on the size and complexity of a department or agency, semi-annual, or even annual, functional reports in detail should suffice (i.e. grades and skills as well as numbers of positions by function for each organizational unit). These can be supplemented by quarterly or monthly summaries showing total numbers of positions by function, where needed. Where the use of manhour accounting is justified, it can and should be tied into the functional reporting system through the use of the functional codes.

C. Staffing Standards

Staffing standards are best defined by the following examples:

Twelve personnel employees per thousand total employees, or 100 medical staff members per hundred hospital beds.

Staffing standards can be most readily developed from data provided through a manpower reporting system and refined by functional surveys. Similar standards can be developed for each function. Periodic tests or surveys to check the validity of the standards are essential.

A staffing standard should be considered as applicable only to the particular department, agency or bureau for which it was developed. Comparisons that show significant deviations above or below the standard point to the need for further action, such as a survey, to (1) see if the deviation is justified, and (2) determine what should be done to correct the situation if the deviations are not justified.

The staffing standards should be developed primarily as a means of relating manpower requirements to program changes or changes in workload. Their usefulness for budgeting and programming is enhanced when grade and skill ratios, as well as numbers of positions, are developed for each function.

D. Functional Analyses

A functional analysis is a management review of the statistical data provided through a functional reporting system. The data should be summarized by functions for each bureau or its equivalent. Valid summations of the manpower used to perform similar functions in different bureaus and geographical areas can be made providing the reports used are based upon a comparable set of definitions. The manpower used to perform each function can then be compared with the departmental or agency standard for that function.

The only purpose of such a summation and comparison should be to highlight abnormal differences. No valid conclusions can be drawn without a thorough and detailed search into the reasons for the wide variations. Normally, this should be done through an organizational survey.

• 6 •

To restate, a functional analysis should only be used to show where inefficiency or unusual efficiency appears to exist (assuming that the function is producing satisfactory results). In the case of inefficiency, such an analysis will indicate where the trouble lies, not what needs to be done to correct it.

III. SOME ADVANTAGES OF USING THE FUNCTIONAL APPROACH TO MANPOWER UTILIZATION

- A. The number of functions can be kept to a reasonable level regardless of the size of the department or agency.
- B. Functions, properly defined, can be directly tied to the various administrative systems used throughout the Federal Government.
- C. Since functions, as such, remain relatively stable, despite changes in the organizational structure of a department or agency, a much higher degree of comparability, from year to year, of the manpower needed to perform each function can be obtained.
- D. The functional framework can be used as a pattern around which:
 - 1. Management surveys can be organized and programmed;
 - 2. Manpower costs can be summarized and determined by function for each major organizational unit in the organization;
 - 3. Sound estimates of manpower needed for administrative, support and substantive functions can be established for varying sizes of programs;
 - 4. Manpower requirements can be projected by numbers, grades and skills and thus a better basis can be provided for the recruitment, training, placement, career guidance, rotation and reductions-in-force of individuals; and
 - 5. Results obtained through improved management can be easily summarized and portrayed.
- E. A more equitable distribution of manpower resources to organizational units can be achieved in accordance with program variations, after there has been an objective evaluation of functions performed and their essentiality to the accomplishment of the program.